

**South Dakota Science and Technology Authority Board of Directors**  
**Meeting Minutes**  
**Thursday, September 18, 2014**  
**Lead, South Dakota**

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 9:01 AM Mountain Time (MT) on Thursday, September 18, 2014 in the 2<sup>nd</sup> Floor Vault Conference Room at the South Dakota Science and Technology Authority, 630 East Summit Street, Lead, South Dakota.

**MEMBERS OF THE BOARD IN ATTENDANCE**

Mr. Thomas Adam (by telephone)  
Mr. Paul Christen  
Mr. Dana Dykhouse  
Ms. Pat Lebrun (by telephone)  
Chairperson Casey Peterson (by telephone)  
Mr. Ron Wheeler  
Dr. Heather Wilson

**MEMBERS OF THE BOARD NOT IN ATTENDANCE**

Dr. Ani Aprahamian

**SDSTA STAFF**

Ms. Michelle Andresen, Administrative Assistant  
Mr. Tim Engel, Legal Counsel  
Ms. Nancy Geary, Chief Financial Officer  
Mr. Mike Headley, Executive Director  
Ms. Sharon Hemmingson, Business Services and Contracts Manager  
Mr. Daryl Russell, Cultural Diversity Coordinator  
Mr. Noel A. Schroeder, Environment, Health and Safety (EHS) Director  
Ms. Constance Walter, Communications Director  
Mr. Joshua Willhite, Engineering Director

**ALSO PRESENT DURING ALL OR PART OF THE MEETING**

Mr. Tom Campbell, Science Education Specialist, Black Hills State University (BHSU)  
Dr. Rodney Custer, Provost and Vice President of Academic Affairs, BHSU  
Dr. Peggy Norris, Education and Outreach (E&O) Deputy Director, BHSU  
Ms. Jaci Pearson, Black Hills Pioneer  
Ms. Bree Reynolds, Science, Technology, Engineering and Mathematics (STEM) Education Specialist, BHSU  
Dr. Ben Saylor, E&O Director, BHSU (by telephone)

**ITEM 1. – CALL TO ORDER**

Vice Chairperson Ron Wheeler called the meeting to order at 9:01 AM (MT). Roll call was held. All members were present in person or by telephone except for Dr. Ani Aprahamian and Chairperson Casey Peterson. Vice Chairperson Wheeler asked audience members to introduce themselves.

SDSTA Executive Director Mr. Mike Headley introduced BHSU Education Specialists Ms. Bree Reynolds and Mr. Tom Campbell, BHSU Provost and Vice President of Academic Affairs Dr. Rodney Custer and SDSTA EHS Director Mr. Noel A. Schroeder.

## **ITEM 2. – APPROVE AGENDA**

Vice Chairperson Wheeler asked for a motion to approve the agenda.

*Motion by Mr. Christen and second by Mr. Dykhouse to approve the agenda. By roll call vote, the motion passed unanimously.*

## **ITEM 3. – APPROVE MINUTES**

Vice Chairperson Wheeler asked for a motion to approve the Minutes of the June 19, 2014 meeting.

*Motion by Mr. Adam and second by Mr. Christen to approve the Minutes of the June 19, 2014 meeting as presented. By roll call vote, the motion passed unanimously.*

## **ITEM 4. – AMENDMENT OF SDSTA BY-LAWS**

SDSTA Legal Counsel Mr. Tim Engel said there were two categories of proposed revisions to the SDSTA By-Laws. The first is a change in terminology from "Authority" to "SDSTA." The second is to recognize the President of the South Dakota School of Mines and Technology as an ex-officio, non-voting member to the board.

*Motion by Mr. Adam and second by Ms. Lebrun to approve and adopt the Amended and Restated By-Laws dated September 18, 2014 as presented. By roll call vote, the motion passed unanimously.*

## **ITEM 5. – DISCUSSION OF ELLISON HILL OPTION TO PURCHASE AGREEMENT**

Mr. Engel asked Mr. Headley to describe the Ellison Hill property to the board. Mr. Headley did so, and said this property would provide an additional access way to the laboratory besides Mill Street. The cost of the option is \$45,000.00, paid over approximately ten months. The Option purchase price is \$600,000 with a deadline to exercise the Option by November 1, 2018. Mr. Headley stated it is prudent to put this agreement in place at this time. Mr. Engel asked if there were any questions. Mr. Christen asked if the buildings on the property were currently in use. Vice Chairperson Wheeler advised that there are none except for a shop building, which the City of Lead leases from Homestake.

*Motion by Mr. Adam and second by Mr. Dykhouse to approve the Ellison Hill Option to Purchase Agreement and authorize the payment of \$45,000. By roll call vote, the motion passed unanimously.*

## **ITEM 6. – REPORT FROM EXECUTIVE DIRECTOR**

Mr. Headley began his report discussing two declarations of surplus. He said the first declaration of surplus property consisted of certain pieces of mining equipment, in which local non-profit organizations have expressed interest. The equipment listed in Exhibit B have no historical value and are currently in a sealed bid process. Mr. Headley said the SDSTA will utilize operable equipment including locomotives, cars and rail underground. Mr. Christen asked what the purchase price was of the mining equipment. Ms. Geary verified the purchase price was \$10,000. Mr. Headley explained the second declaration of surplus property is a blue passenger van, which has reached the end of its life and is no longer reliable.

In regard to the SDSTA safety performance, the Sanford Laboratory has had three SDSTA employee recordables to date, compared to eight this time last year. Mr. Headley said safety is the main focus and creating and following Job Hazard Analyses (JHA) has resulted in significant progress in mitigating potential incidents.

Mr. Headley said there was a spike in activity during the month of March due to large numbers of contractors underground. The MAJORANA DEMONSTRATOR (MJD) collaboration continues to assemble the detector and shield. The start of data collection is expected in late 2014. The copper electro-forming work, led by the SDSM&T personnel, is expected to be completed in mid-2015.

The Large Underground Xenon (LUX) collaboration continues preparations for a 300-day run. Mr. Headley said the data run is to commence in the fall of 2014.

Mr. Headley said the rehabilitated space for Compact Accelerator System Performing Astrophysical Research (CASPAR) and BHSU underground campuses will be completed the first part of January 2015. The Sanford Laboratory will award a change order to the construction contract for the underground space in the near future.

The current reformulation of the Long-Baseline Neutrino Experiment (LBNE) collaboration was then discussed by Mr. Headley. He said the Particle Physics Project Prioritization Panel (P5) report was very supportive of the project but recommended that the collaboration formulate more international support. Vice Chairperson Wheeler asked the dimensions of the LBNE underground space and Mr. Headley replied each of the two spaces are 500 feet in length, 90 feet in height and 60 feet in width. The LUX-ZEPLIN (LZ) Critical Decision One (CD-1) Executive Meeting would commence in December with the Department of Energy (DOE).

Mr. Headley said the Sanford Lab Homestake Visitor Center is on schedule for a June 2015 opening. To date, twenty of the twenty-two piers have been installed for the foundation work. He said SDSTA Engineering Director Mr. Joshua Willhite will provide more details in his upcoming presentation.

Mr. Headley said there has been significant progress on the Ross Shaft refurbishment and the Yates Top Down maintenance projects. August was a productive month; nine sets were completed in the Ross Shaft.

Mr. Headley then introduced Mr. Willhite, who provided an update on the visitor center. He stated the 22 piers will be completed next week. The foundation slab will begin in October and steel will arrive in November to erect the building. He said construction is expected to be completed by May 2015. Exhibits will include an actual cage from the Ross Shaft, a 1/1500 scale underground model of the shafts and science and mining artifacts, along with video storylines of local residents, former miners and scientists. The display drafts are due by the end of October for review. He said the Deadwood Historic Preservation Commission has agreed to fund refurbishment of the Ross Cage exhibit.

Mr. Willhite also provided an overview of the CASPAR and BHSU underground campuses. He said a blasting expert will be onsite in October for removal guidance of a rock wedge crack near the MJD and BHSU site. The outfitting will begin in January to allow completion of the spaces by the end of May 2015. The total cost for both projects is \$3.2M; \$2.5M for CASPAR and \$0.7M (\$0.2M of the \$0.7M is being funded by BHSU) for BHSU rehabilitation and outfitting. Mr. Willhite said the values include design, general conditions and elements performed by SDSTA; there is some approximation to divide these shared costs. Vice Chairperson Wheeler commented to the board that SDSM&T personnel will be responsible for operating the CASPAR accelerator project.

*Chairperson Casey Peterson joined the meeting via telephone at 9:54 AM.*

Mr. Headley introduced SDSTA Communications Director Ms. Constance Walter, who highlighted Neutrino Day 2014 events. These events included the underground videoconference, Emergency Response Team demonstration, Journey Museum's planetarium, Space School Musical presented by the Dakota Children's Theater sponsored by NASA, guest speakers, live interviews with SD Public Broadcasting News Director Cara Hetland and numerous children activities.

*Mr. Adam departed the meeting at 10:00 AM.*

Vice Chairperson Wheeler asked for a motion to accept the Executive Director's report.

*Motion by Mr. Christen and second by Mr. Dykhouse to accept the Executive Director's report. By roll call vote, the motion passed unanimously.*

## **ITEM 7. – FINANCIAL REPORT**

Mr. Headley introduced SDSTA Chief Financial Officer Ms. Nancy Geary who reported that SDSTA's current interest accrual is at 0.75%. A letter received by the South Dakota Investment Council estimates the 2015 interest rate to be between 0.5% and 0.75%. Ms. Geary recommended keeping the accrual percentage the same at 0.75% going forward; board members agreed. Ms. Geary discussed the yearly fixed asset report, specifically items equal to or greater than the \$5,000 threshold along with information on depreciation. She said a report was also included in the board material for assets owned by the Department of Energy (DOE) that are acquired through the Operations contract. The yearly per diem payments report was also presented to board members. Ms. Geary asked if there were any questions; there were none.

Mr. Headley requested approval from the board to add \$516,000 to fund the CASPAR/BHSU underground campus construction contract and approval to add \$2.4M for the construction change order. Ms. Geary stated that previous CAPEX projects had some savings, which SDSTA could use as carryover money to fund this project. Vice Chairperson Wheeler asked if there were any questions; there were none.

*Motion by Mr. Dykhouse and second by Ms. Lebrun to approve the updated CAPEX budget and CASPAR/Black Hills State University Underground Campus construction as presented. By roll call vote, the motion passed unanimously.*

*Motion by Mr. Christen and second by Mr. Dykhouse to accept the financial report as presented. By roll call vote, the motion passed unanimously.*

## **ITEM 8. – REVIEW OF UPDATED AND RETIRED POLICIES**

Mr. Headley briefly discussed the updated and retired policies listed below and said that Mr. Engel had reviewed the policies. Vice Chairperson Wheeler asked if there were any questions or comments. There were none.

The following policies were recommended to be approved:

- 2:15 Absenteeism and Tardiness
- 3:12 Travel Approval and Reimbursement - Employees
- 3:15 Travel Approval and Reimbursement - Consultants, Contractors and Vendors
- 3:21 Travel Approval and Reimbursement - Board Members
- 3:30 Surplus Property Disposal Policy

The following policies were recommended to be retired:

- 3:12:1 Travel by Executive Director
- 3:12:2 Transportation
- 3:12:3 Lodging
- 3:12:4 Meals
- 3:12:4:1 Itemized Ticket for Meal Reimbursement
- 3:12:5 Reimbursement for Combined Authority and Personal Trip
- 3:12:6 Travel Reimbursement for Weekend Stays
- 3:12:7 Travel by State Employees on Authority Business
- 3:12:8 International Travel
- 3:13 Commitment for Travel – Authority Employees
- 3:16 Commitment for Travel – Other
- 3:17 Commitment for Travel Expense Form

*Motion by Mr. Dykhouse and second by Mr. Christen to approve the updated policies and the repeal of policies as presented. By roll call vote, the motion passed unanimously.*

#### **ITEM 9. – AUDIT COMMITTEE REPORT**

Audit Committee Chairperson Ms. Lebrun advised the board that the FY2014 audit will be a normal audit, not an A-133 audit. At the end of the audit, a follow up Audit Committee meeting will be held for final discussion before submitting to the board at either the December 2014 or March 2015 board meeting.

*The board recessed at 10:17 AM for break and reconvened at 10:27 AM.*

#### **ITEM 10. – EXECUTIVE SESSION**

*Motion by Chairperson Peterson and second by Mr. Dykhouse to enter into executive session to consult with legal counsel concerning contractual matters. By roll call vote, the motion passed unanimously.*

*The board recessed at 10:27 AM for Executive Session and reconvened at 10:54 AM.*

#### **ITEM 11. – REPORT FROM EXECUTIVE SESSION**

Vice Chairperson Wheeler reported that the board consulted with legal counsel concerning contractual matters. No action was taken.

*Motion by Mr. Dykhouse and second by Mr. Christen to approve the executive session report. By roll call vote, the motion passed unanimously.*

#### **ITEM 12. – CONFIRM DATE AND TIME FOR NEXT BOARD MEETING**

Vice Chairperson Wheeler asked if there were any concerns with the next board meeting to be held on Thursday, December 18, 2014 at 10:00 AM (MT). The preference to start the board meeting at 9:00 AM was raised. The board agreed to meet on December 18 at 9:00 AM (MT) instead of 10:00 AM. Vice Chairperson Wheeler reminded the board that the 2015 board meeting schedule will be discussed at the December board meeting.

#### **ITEM 13. – BOARD COMMENTS**

Ms. Lebrun said it was a good meeting and she is excited about the progress at the Sanford Laboratory.

Dr. Wilson said she is pleased to be part of the SDSTA board. She provided an update of new SDSM&T faculty in the Physics Department and added the proximity to Sanford Laboratory has proved an attraction for top physics researchers to join SDSM&T.

Mr. Christen said this was a good meeting and was impressed with Dr. Wilson's report regarding the involvement between the SDSM&T Physics Department and the Sanford Laboratory.

Mr. Dykhouse asked to receive information about the interaction between SDSM&T and the Sanford Laboratory, as well as all the other universities involved with Sanford Laboratory. He said there is a large interest about the lab in the South Dakota communities and this would be an opportunity to tell more about the SDSTA story. He said he looks forward to the SDSTA presentation on October 20 in Sioux Falls.

Mr. Headley welcomed Dr. Wilson to the board and thanked the board members for supporting the Sanford Laboratory to move forward. He also recognized and thanked the SDSTA staff for all their work.

Vice Chairperson Wheeler complimented Mr. Headley and the SDSTA staff for all their hard work.

Chairperson Peterson thanked the board members for their leadership and their support of SDSTA's mission.

#### **ITEM 14. – ADJOURN**

Vice Chairperson Wheeler asked if anyone had any other questions or comments and then called for a motion to adjourn.

*Motion by Mr. Dykhouse and second by Mr. Christen to adjourn. Motion passed unanimously.*

**Meeting adjourned at 11:09 AM.**